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OBLON, SPIVAK, MCCLELLAND
MAIER & NEUSTADT, P.C.
1940 DUKE STREET
ALEXANDRIA VA 22314

MAILED

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OFFICE OF PETITIONS

In re Patent No. 7,440,599 :
Kato : DECISION ON
Issue Date: October 21, 2008 : REQUEST FOR RECONSIDERATION
Application No. 10/627,812 : OF
Filed: July 28, 2003 : PATENT TERM ADJUSTMENT
Attorney Docket No. 240378US2TTC :

This is in response to the "PETITION UNDER 37 CFR 1.705(d) AND REQUEST FOR RECONSIDERATION OF PATENT TERM ADJUSTMENT," filed December 19, 2008, requesting that the patent term adjustment determination for the above-identified patent be changed from nine hundred seventy-three (973) days to one thousand two hundred sixty-two (1,262) days.

The request for reconsideration of patent term adjustment is **DISMISSED**.

On October 21, 2008, the above-identified application matured into US Patent No. 7,440,599 with a patent term adjustment of 973 days. This request for reconsideration of patent term adjustment was timely filed within two months of the issue date of the patent. See 1.705(d).

The Office acknowledges submission of the $200.00 fee set forth in 37 CFR 1.18(e). No additional fees are required.

Patentee contends that the Office erred in determining patent term adjustment published on the face of the '599 patent by not properly accounting for the period of time where issuance of the '599 patent was delayed beyond three years of pendency (35 U.S.C. §154(b)(1)(B)).

Patentee argues that the period of adjustment due to the Three Year Delay by the Office, pursuant to 37 CFR § 1.703(b), is 622 days. This 622 day period is calculated based on the

application having been filed under 35 U.S.C. §111(a) on July 28, 2003, and a request for continued examination (RCE) having been filed on April 10, 2008. The filing of a RCE cuts-off an applicant's ability to accumulate any additional patent term adjustment against the three-year pendency provision, but does not otherwise affect patent term adjustment. 37 CFR § 1.703(b)(1)

In this instance, a RCE was filed on April 10, 2008. Thus, the ability to accumulate additional patent term adjustment against the three-year pendency provision ended April 10, 2008. Accordingly, the period of adjustment under § 1.702(b) is 622 days, counting the number of days beginning on July 29, 2006 and ending on April 10, 2008.

Patentee asserts that in addition to this 622 day period, he is entitled to a period of adjustment due to examination delay, pursuant to 37 CFR §1.702(a), of 1,001 days for failure by the Office to mail at least one of a notification under 35 U.S.C. 132 not later than fourteen months after the date on which the application was filed under 35 U.S.C. 111(a), pursuant to § 1.702(a)(1). A non-final Office action was mailed on June 26, 2007, which is 14 months and 1,001 days after the application was filed.

Under 37 CFR § 1.703(f), Patentee is entitled to a period of patent term adjustment equal to the period of delays based on the grounds set forth in 37 CFR §1.702 reduced by the period of time equal to the period of time during which Patentee failed to engage in reasonable efforts to conclude prosecution pursuant to 37 CFR §1.704. In other words, the period of Office delay reduced by the period of Patentee delay. The period of reduction of 28 days for Patentee delay is not in dispute[1]. Patentee asserts that the total period of Office delay is the sum of the period of Three Years Delay terminated by the filing of a RCE (622 days) and the period of Examination Delay (1,001 days) to the extent that these periods of delay are not overlapping.

Patentee contends that a portion of the 14 month examination delay of 1,001 days (September 29, 2004 to June 26, 2007) overlaps with a portion of the Three Year Delay period (July 29, 2006 to April 19, 2008 (adjusted because RCE was filed).

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[1] The period of reduction is, pursuant to 37 CFR 1.704(c)(8), 28 days for filing a supplemental reply or other paper, not expressly requested by the examiner, after a reply has been filed.

Accordingly, Patentee submits that the total period of Office Delay is 1,290 days, which is the sum of the period of the adjusted Three Year Delay (622 days) and the period of Examination Delay (1,001 days), reduced by the period of overlap (333 days). See p. 7 of petition.

As such, Patentee asserts entitlement to a patent term adjustment of 1,262 days (622 + 1,001 reduced by 333 overlap - 28 (Patentee delay)).

The Office agrees that the action detailed above was not taken within a specified time frame, and thus, the entry of period of adjustment of 1,001 days is correct. At issue is whether Patentee should accrue 289 days of patent term adjustment (as calculated by Patentee, considering Patentee's definition of overlap) for the Office taking in excess of three years to issue the patent, as well as, 1,001 days for Office failure to take a certain action within a specified time frame (or examination delay).

The Office contends that 622 days overlap. Patentee's interpretation of the period of overlap has been considered and found to be incorrect. Patentee's calculation of the period of overlap is inconsistent with the Office's interpretation of this provision. 35 U.S.C. 154(b)(2)(A) limits the adjustment of patent term, as follows:

> to the extent that the periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

Likewise, 37 CFR 1.703(f) provides that:

> To the extent that periods of delay attributable to the grounds specified in §1.702 overlap, the period of adjustment granted under this section shall not exceed the actual number of days the issuance of the patent was delayed.

As explained in *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004), the Office interprets 35 U.S.C. 154(b)(2)(A) as permitting either patent

term adjustment under 35 U.S.C. 154(b)(1)(A)(i)-(iv), or patent term adjustment under 35 U.S.C. 154(b)(1)(B), but not as permitting patent term adjustment under both 35 U.S.C. 154(b)(1)(A)(i)-(iv) and 154(b)(1)(B). Accordingly, the Office implements the overlap provision as follows:

> If an application is entitled to an adjustment under 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending (except for periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the period of delay under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay overlap under 35 U.S.C. 154(b)(2)(A). Thus, any days of delay for Office issuance of the patent more than 3 years after the filing date of the application, which overlap with the days of patent term adjustment accorded prior to the issuance of the patent will not result in any additional patent term adjustment. See 35 U.S.C. 154(b)(1)(B), 35 U.S.C. 154(b)(2)(A), and 37 CFR § 1.703(f). See *Changes to Implement Patent Term Adjustment Under Twenty Year Term; Final Rule*, 65 Fed. Reg. 54366 (Sept. 18, 2000). See also *Revision of Patent Term Extension and Patent Term Adjustment Provisions; Final Rule*, 69 Fed. Reg. 21704 (April 22, 2004), 1282 Off. Gaz. Pat. Office 100 (May 18, 2004). See also *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004).

The current wording of § 1.703(f) was revised in response to the misinterpretation of this provision by a number of Patentees. The rule was slightly revised to more closely track the corresponding language of 35 U.S.C. 154(b)(2)(A). The relevant portion differs only to the extent that the statute refers back to provisions of the statute whereas the rule refers back to sections of the rule. This was not a substantive change to the rule nor did it reflect a change of the Office's interpretation of 35 U.S.C. 154(b)(2)(A). As stated in the *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, the Office has consistently taken the position that if an application is entitled to an adjustment under the three-year pendency provision of 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending before the Office (except for

periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A).

This interpretation is consistent with the statute. Taken together the statute and rule provide that to the extent that periods of delay attributable to grounds specified in 35 U.S.C. 154(b)(1) and in corresponding §1.702 overlap, the period of adjustment granted shall not exceed the actual number of days the issuance of the patent was delayed. The grounds specified in these sections cover the A) guarantee of prompt Patent and Trademark Office responses, B) guarantee of no more than 3 year application pendency, and C) guarantee or adjustments for delays due to interference, secrecy orders and appeals. A section by section analysis of 35 U.S.C. 154(b)(2)(A) specifically provides that:

> Section 4402 imposes limitations on restoration of term. In general, pursuant to [35 U.S.C.] 154(b)(2)(A)-(C), total adjustments granted for restorations under [35 U.S.C. 154](b)(1) are reduced as follows: (1) To the extent that there are multiple grounds for extending the term of a patent that may exist simultaneously (e.g., delay due to a secrecy order under [35 U.S.C.] 181 and administrative delay under [35 U.S.C.] 154(b)(1)(A)), the term should not be extended for each ground of delay but only for the actual number of days that the issuance of a patent was delayed; See 145 Cong. Rec. S14,718[2]

As such, the period for over 3 year pendency does not overlap only to the extent that the actual dates in the period beginning three years after the date on which the application was filed overlap with the actual dates in the periods for failure of the Office to take action within specified time frames. In other words, consideration of the overlap does not begin three years after the filing date of the application. Treating the relevant period as starting on July 29, 2006, the date that is 3 years after the actual filing date of the application is incorrect.

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[2] The AIPA is title IV of the Intellectual Property and Communications Omnibus Reform Act of 1999 (S. 1948), which was incorporated and enacted as law as part of Pub. L. 106-113. The Conference Report for H.R. 3194, 106th Cong. 1st Sess. (1999), which resulted in Pub. L. 106-113, does not contain any discussion (other than the incorporated language) of S. 1948. A section-by-section analysis of S. 1948, however, was printed in the Congressional Record at the request of Senator Lott, See 145 Cong. Rec. S14,708-26 (1999)(daily ed. Nov. 17, 1999).

In this instance, the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A) is the entire period during which the application was pending before the Office, July 28, 2003 to October 21, 2008. During that time, the issuance of the patent was delayed by 1001 days, not 1001 + 622 days. The Office took 14 months and 1001 days to issue a first Office action. Otherwise, the Office took all actions set forth in 37 C.F.R. § 1.702(a) within the prescribed timeframes. Nonetheless, given the initial 1001 days of Office delay and the 28 days of applicant delay and the time allowed within the timeframes for processing and examination, at the time the request for continued examination was filed, the application had been pending three years and 622 days after its filing date. The Office did not delay 1001 days and then an additional 622 days. Accordingly, 1001 days of patent term adjustment (not 1001 and 622 days) was properly entered since the period of delay of 622 days attributable to the delay in the issuance of the patent overlaps with the adjustment of 1001 days attributable to grounds specified in § 1.702(a)(1). Entry of both periods is not warranted. The entire 622 days and not just 333 days overlap with the 1001 days of Office delay. 1001 days is determined to be the actual number of days that the issuance of the patent was delayed, considering the 622 days over three years to the filing of the request for continued examination. Accordingly, at issuance, the Office properly entered 0 additional days of patent term adjustment specifically for the Office taking in excess of 3 years to issue the patent.

In view thereof, the Office affirms that the correct determination of patent term adjustment at the time of the issuance of the patent is 973 days (1001 - 28).

Telephone inquiries specific to this matter should be directed to Shirene Willis Brantley, Senior Petitions Attorney, at (571) 272-3230.

Nancy Johnson
Senior Petitions Attorney
Office of the Deputy Commissioner
for Patent Examination Policy